

1 TERRY GODDARD  
ARIZONA ATTORNEY GENERAL  
2 Firm Bar No. 14000

3 PAMELA CULWELL  
Assistant Attorney General  
4 State Bar No. 0073721  
JENNIFER GARCIA POLLOCK  
5 Assistant Attorney General  
State Bar No. 019093  
6 CHAD BRADLEY SAMPSON  
Assistant Attorney General  
7 State Bar No. 022007  
1275 West Washington Street  
8 Phoenix, Arizona 85007-2926  
Telephone: (602) 542-8323  
9 Fax: (602) 364-0700

10 Attorneys for Petitioner:  
VINCIEN YANEZ, Executive Director  
11 State Board of Education  
1535 West Jefferson  
12 Phoenix, Arizona 85007

13  
14 BEFORE THE ARIZONA  
15 STATE BOARD OF EDUCATION

16 In the Matter of:

Case No.: 2007-002

17  
18 UNION ELEMENTARY SCHOOL  
DISTRICT NO. 62.

PROPOSED FINDINGS OF FACT,  
CONCLUSIONS OF LAW AND ORDER  
APPOINTING A RECEIVER TO THE  
UNION ELEMENTARY SCHOOL  
DISTRICT NO. 62

21 The Arizona Attorney General ("Attorney General"), on behalf of the State of  
22 Arizona, and the Executive Director of the Arizona State Board of Education (the "State  
23 Board") request that the State Board adopt these Proposed Findings of Fact and  
24 Conclusions of Law regarding the budget correction procedures of the Union  
25 Elementary School District No. 62. (the "District") and appoint a receiver pursuant to  
26

1 2007 Arizona Session Laws, Chapter 238, § 2 and Arizona Revised Statutes ("A.R.S.")  
2 § 15-103.

3 I. FINDINGS OF FACT

4 To the extent the following Findings of Fact constitute Conclusions of Law, they  
5 are incorporated into the Conclusions of Law.

6 A. Introduction

7 1. Arizona public schools receive basic state aid based upon the number of students  
8 in attendance. A.R.S. § 15-902. The student membership count plus additional funding  
9 support for certain groups of students, such as English language learners and special  
10 education students, form the Base Support Level for each school district. A.R.S. § 15-  
11 943. A school district's Base Support Level in addition to other state funding it receives  
12 determines a school district's annual budget limit. A.R.S. § 15-905.

13 2. Pursuant to A.R.S. § 15-905(E), a school district's governing board is required to  
14 adopt a budget. The adopted budget consists of several budget categories such as  
15 Maintenance and Operations, Unrestricted Capital and Soft Capital. A school district's  
16 budget may not exceed the budget limits, as defined in A.R.S. § 15-947, in any of these  
17 budget categories. A.R.S. § 15-905(E).

18 3. A school district must submit its adopted budget to the County School  
19 Superintendent and the Superintendent of Public Instruction by July 18th of each year.  
20 *Id.* The Superintendent of Public Instruction must review the school district's adopted  
21 budget and notify the school district's governing board if the adopted budget is in excess  
22 of the statutory limits set for each of the budget categories. *Id.*

23 4. On or before December 15th of each year, a school district's governing board  
24 must adopt a revised budget conforming to the information provided by the  
25 Superintendent of Public Instruction and submit the revised budget to the County School  
26 Superintendent and the Superintendent of Public Instruction by December 18th. *Id.* A

1 school district may further revise its budget to adjust for growth in the student  
2 population after the 100<sup>th</sup> day of school. A.R.S. § 15-948.

3 5. School districts that make expenditures in excess of their budget limits without  
4 authorization as provided in A.R.S. § 15-907 must reduce their budget limits for the  
5 subsequent fiscal year or, in the case of hardship, over the next two fiscal years  
6 following the over-expenditures. A.R.S. § § 15-905(M) and 15-915(A).

7 6. A school district's revenue control limit is calculated by adding the Base Support  
8 Level funding with the transportation revenue as calculated in A.R.S. §15-946. *See*  
9 A.R.S. § 15-947.

10 B. Union Elementary School District, No. 62

11 7. The District is an Arizona public school district, funded by public monies and  
12 charged with the responsibility of educating students in grades kindergarten through  
13 eight.

14 8. The District, acting through its officers and employees, has the fiduciary  
15 responsibility to safeguard the assets of the District to ensure they are used for a public  
16 purpose and in a fiscally prudent manner.

17 9. For the past several years, the District exceeded its revenue control limit and  
18 budget capacity.

19 10. In fiscal year 2004-2005, the District had a general budget limit of approximately  
20 \$2,212,567.00 and a revenue control limit of \$2,001,766.00. In that same year, the  
21 District over expended its Maintenance and Operations budget by approximately  
22 \$6,998.00, resulting in a 0.32 percent over-expenditure of the District's general budget  
23 limit and 0.35 percent over-expenditure of the District's revenue control limit. *See*  
24 Exhibits "A" and "B" attached.

25 11. In fiscal year 2005-2006, the District had a general budget limit of approximately  
26 \$4,550,489.00 and revenue control limit of \$4,313,917.00. In that same year, the

1 District over-expended its Maintenance and Operations budget by approximately  
2 \$968,535.00, resulting in a 21.28 percent over-expenditure of the District's general  
3 budget limit and a 22.45 percent over-expenditure of the District's revenue control limit.  
4 See Exhibits "B" and "C" attached.

5 12. The Arizona Department of Education has not received the District's annual  
6 financial reports for the current 2006-2007 fiscal year.

7 13. In May 2007, the Maricopa County School Superintendent informed the District  
8 that it had exceeded its budget for the current fiscal year and that the County School  
9 Superintendent would not draw future warrants in excess of that budget.

10 14. The Arizona Legislature passed and the Governor signed House Bill 2612 ("H.B.  
11 2612" or "the Budget Correction Law") on May 31 and June 1, 2007, respectively. This  
12 new law requires the District to correct its over-expenditures over a five-year period  
13 rather than the two-year period allowed by A.R.S. §§ 15-905(M) and 15-915(A). 2007  
14 Ariz. Sess. Laws, ch. 238, § 1. In addition, the Budget Correction Law mandates that  
15 the State Board immediately appoint a receiver pursuant to A.R.S. § 15-103 for any  
16 school district that uses the provisions of section 1 regarding budget correction  
17 procedures. 2007 Ariz. Sess. Laws, ch. 238, § 2. The Budget Correction Law became  
18 effective immediately pursuant to an emergency clause. 2007 Ariz. Sess. Laws, ch. 238,  
19 § 4.

20 15. The District's total over-expenditure for fiscal years 2004-2005 and 2005-2006 is  
21 approximately \$975,533.00. See Exhibit "B" attached.

22 16. The District is located in Maricopa County, which has a 2006 population estimate  
23 of 3,768,123.00. See Exhibit "D" attached.

24 17. The District's 100th day student count for the 2006-2007 school year was  
25 1345.537. See Exhibit "E" attached.

## II. CONCLUSIONS OF LAW

To the extent the following Conclusions of Law constitute Findings of Fact, they are incorporated into the Findings of Fact.

1. The State Board has the jurisdiction and the authority to place school districts in receivership pursuant to A.R.S. § 15-103 and the Budget Correction Law. A.R.S. § 15-103 and 2007 Ariz. Sess. Laws, ch. 238, § 2.

2. Section 1 of the Budget Correction Law states that, notwithstanding the limitations set forth in A.R.S. §§ 15-905 and 15-915, a school district that over-expended its budget in fiscal years 2004-2005 and 2005-2006 is required to correct those over-expenditures, plus any over-expenditures for fiscal year 2006-2007, over a five-year period beginning in fiscal year 2007-2008 and ending in fiscal year fiscal year 2011-2012. 2007 Ariz. Sess. Laws, ch. 238, § 1.

3. Section 1 of the Budget Correction Law also states that a school district shall take advantage of the five year correction period if: (1) the school district is an elementary school district that is located in a county with a population that exceeds one million five hundred thousand persons; (2) the school district's student count for the 2006-2007 school year was more than one thousand three hundred pupils and less than one thousand eight hundred pupils; (3) the total amount of the corrections that would otherwise be required under A.R.S. § 15-915 for fiscal year 2004-2005 is more than six thousand dollars but less than ten thousand dollars; and (4) the total amount of the correction that would otherwise be required under A.R.S. § 15-915 for fiscal year 2005-2006 is more than seven hundred thousand dollars but less than one million one hundred thousand dollars. 2007 Ariz. Sess. Laws, ch. 238, § 1(A) (1) – (4).

1 4. Section 2 of the Budget Correction Law states that the State Board shall  
2 immediately appoint a receiver pursuant to A.R.S. § 15-103 for any school district that  
3 uses the provisions in section 1 of the act. 2007 Ariz. Sess. Laws, ch. 238, § 2.

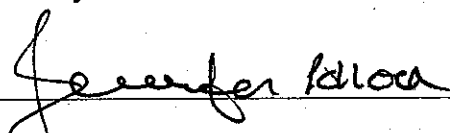
4 5. The District falls within the parameters of section 1 of the Budget Correction  
5 Law. Specifically, the District is a kindergarten through eighth grade elementary school  
6 district located in Maricopa County, which has a 2006 estimated population of  
7 3,768,123; the District's 100<sup>th</sup> day student count for the 2006-2007 school year was  
8 1345.537; the District's total amount of over-expenditure in fiscal year 2004-2005 was  
9 approximately \$6,998.00; and the District's total amount of over-expenditure in fiscal  
10 year 2005-2006 was approximately \$968,535.00. Therefore, the Board shall place the  
11 District in immediate receivership pursuant to 2007 Arizona Session Laws, Chapter 238,  
12 Section 2.

13  
14 III. ORDER

15 THEREFORE, based upon the foregoing, the State Board finds that the District  
16 meets the parameters delineated in 2007 Arizona Session Laws, Chapter 238, Section 1  
17 regarding budget correction procedures. The State Board hereby places the District in  
18 immediate receivership in accordance with 2007 Arizona Session Laws, Chapter 238,  
19 Section 2 and A.R.S. § 15-103. The receiver shall execute its duties and responsibilities  
20 as delineated in A.R.S. § 15-103 immediately upon appointment by the State Board.

21  
22 RESPECTFULLY SUBMITTED this 22 day of June, 2007.

23 TERRY GODDARD  
24 Attorney General

25 By 

26 Pamela Culwell,  
Civil Division Chief

Jennifer Pollock,  
Assistant Attorney General  
Chad Sampson,  
Assistant Attorney General

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Senate Engrossed House Bill  
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State of Arizona  
House of Representatives  
Forty-eighth Legislature  
First Regular Session  
2007  
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CHAPTER 238  
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HOUSE BILL 2612  
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AN ACT

ESTABLISHING PROCEDURES PROVIDING FOR SCHOOL DISTRICT BUDGET MISCALCULATION CORRECTION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. School district budget overexpenditures; correction; interest

A. Notwithstanding sections 15-905 and 15-915, Arizona Revised Statutes, a school district that overexpended its budget during fiscal years 2004-2005 and 2005-2006 shall be required to correct these overexpenditures plus any overexpenditures for fiscal year 2006-2007 over a five-year period beginning in fiscal year 2007-2008 and ending in fiscal year 2011-2012 if all of the following conditions exist:

1. The school district is an elementary school district that is located in a county with a population that exceeds one million five hundred thousand persons.
2. The school district's student count for the 2006-2007 school year was more than one thousand three hundred pupils and less than one thousand eight hundred pupils.
3. The total amount of the correction that would otherwise be required under section 15-915, Arizona Revised Statutes, for fiscal year 2004-2005 is more than six thousand dollars but less than ten thousand dollars.
4. The total amount of the correction that would otherwise be required under section 15-915, Arizona Revised Statutes, for fiscal year 2005-2006 is more than seven hundred thousand dollars but less than one million one hundred thousand dollars.

B. In addition to monies required to be repaid pursuant to subsection A of this section, accrued interest is required to be paid at a rate determined by the superintendent of public instruction.

Sec. 2. School districts; immediate receivership

The state board of education shall immediately appoint a receiver pursuant to section 15-103, Arizona Revised Statutes, for any school district that uses the provisions of section 1 of this act, relating to school district budget correction procedures.

Sec. 3. Reporting; school district overexpenditures

The department of education shall submit a report on or before December 15 of each year that lists each school district that overexpends its budget in the prior fiscal year and the amount of the overexpenditure by funding source to the governor, the president of the senate and the speaker of the house of representatives. A copy of the report shall be delivered to the secretary of state and the director of the Arizona state library, archives and public records.

Sec. 4. Emergency

This act is an emergency measure that is necessary to preserve the public peace, health or safety and is operative immediately as provided by law.

APPROVED BY THE GOVERNOR JUNE 1, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 1, 2007.



Arizona Department of Education  
Over Expenditure Report for Fiscal Year 2005  
Union Elementary District

Description	ADE Calculated	District Amount	Difference
Comments and concerns about the content, the design, or the results should be e-mailed to schoolfinance@ade.az.gov.			
Budget Version		5/5/2005	Revised #2
General Budget Limit			
Base Support Level	1,494,558		
Transportation Revenue Control Limit	152,699		
Type 03 Tuition	0		
ADE column includes values from most recent APOR55.			
Adjustment to actual HS Type 03 Tuition	0		
Reductions are made based on Type 03 tuition expenditures reported on AFR			
Revenue Control Limit (RCL)	1,647,257	1,655,360	
Growth	353,404	353,404	
Adjusted RCL	2,000,661	2,008,764	(8,103)
Adjusted RCL in M&O	2,000,661	2,008,764	(8,103)
Adjusted RCL in Unr Cap	0	0	0
Capital Outlay Revenue Limit (CORL) Total	168,912	169,186	(274)
Capital Outlay Revenue Limit (CORL) M&O	120,000	120,000	0
Capital Outlay Revenue Limit (CORL) Unr Cap	48,912	49,186	(274)
Maintenance and Operations Override	0	0	0
Capital Override	0	0	0
Special K-3 Override (M&O)	0	0	0
Special K-3 Override (Capital)	0	0	0
Small School Adjustment (M&O)	0	0	0
Small School Adjustment (Unrestricted Capital)	0	0	0
Tuition Private M&O		0	
Tuition Private Unrestricted		0	
Tuition Other AZ Districts M&O		0	
Tuition Other AZ Districts Unrestricted		0	
Tuition Out of State Districts M&O		0	
Tuition Out of State Districts Unrestricted		0	
Tuition (Total) M&O	0	0	0
Tuition (Total) Unrestricted	0	0	0
Cert of Ed Convenience M&O	0	0	0
Cert of Ed Convenience Unrestricted	0	0	0
State Assistance (15-976) M&O	0	0	0
State Assistance (15-976) Unrestricted	0	0	0
Add-on for Children w/Disabilities and Indian Students M&O	25,428	25,428	0
Add-on for Children w/Disabilities and Indian Students Unrestricted	0	0	0
Administrative Costs M&O	2,414	2,414	0
Administrative Costs Unrestricted	0	0	0
Increase for Accommodation Schools	0	0	
Desegregation M&O	0	0	0
Desegregation Unrestricted	0	0	0
Tuition Out Debt Services	0	0	0
Budget Balance Carry-Forward	62,959	62,959	0
Dropout Prevention	0	0	0
Excess Utilities	0	0	0
Assistance for Education M&O	0	0	0
Assistance for Education Unrestricted	0	0	0

Arizona Department of Education  
Over Expenditure Report for Fiscal Year 2005  
Union Elementary District

Description	ADE Calculated	District Amount	Difference
Registered Warrant Exp M&O	0	0	0
Registered Warrant Exp Unrestricted	0	0	0
Energy Reduction Adjustment	0	0	0
Joint Voc & Tech Center M&O	0	0	0
Joint Voc & Tech Center Unrestricted	0	0	0
Career Ladders Budget Balance Carry-Forward	0	0	0
Optional Performance Incentive Budget Balance Carry-Forward	0	0	0
Performance Pay Budget Balance Carry Forward	0	0	0
Adjustment to General Budget Limit	0	0	0
Total General Budget Limit for M&O	2,211,462	2,219,565	(8,103)
Plus or Minus Correction to FY 2004-05 Growth	1,105		
Less Growth Adjustment Requested to Unrestricted Capital (included below)	0		
Adjusted General Budget Limit	2,212,567		
Budgeted Maintenance & Operations	2,219,565	2,219,565	0
Adjustments to Budgeted M&O (Growth, ARS \$15-915 & Resolutions)	1,105		
Adjusted Budgeted Maintenance and Operations	2,220,670		
Lesser of Budgeted or GBL for M&O		2,211,462	
Lesser of Adjusted Budgeted or Adjusted GBL for M&O		2,212,567	
Total M&O Expenditures (AFR)	2,219,565		
M&O Expenditures pursuant to A.R.S. §15-907	0		
Less Applicable M&O Expenditures		2,219,565	
Plus K-3 Override Budget Balance Carry Forward * 50%		0	
Unexpended Budget Balance (Over-Expenditure)		(6,998)	
If the above row includes a negative value, the Maintenance & Operations Fund has been over-expanded and a resolution to reduce budget capacity and state aid, for FY 03-04, must be completed.			
Less Career Ladders Budget Balance		0	
Less Optional Performance Incentive Budget Balance		0	
Less Performance Pay Unexpended		0	
Applicable Unexpended Budget Balance		(6,998)	
Budget Balance Carry Forward Limit (4% * (RCL + Growth Adjustment))		80,071	
Allowed Budget Balance Carry Forward		0	
Includes reduction for inter-fund transfers to School Opening Fund 545			

\*\* Formula for calculating the adjusted growth (corrected growth total - original growth = adjusted growth amount)

Corrected Growth	354,509
Minus Growth Included on Final 04-05 APOR55-1	353,404
Growth Adjustment	1,105
Please see memo at <a href="http://www.ade.az.gov/Districts/ReportsData/ReportsData.asp">http://www.ade.az.gov/Districts/ReportsData/ReportsData.asp</a> for your district, regarding information on growth calculation. This memo is also available in the School Finance memos section and the School Finance Bulletin Board.	

#### Adjustments to FY 2005-06 Expenditure Budget and Worksheets

Increase to FY 2005-06 Unrestricted Capital due to greater than anticipated Growth (or by election of district)	0
Add to FY 2005-06 Expenditure Budget Page 8 of 8 Line A11 You may increase the budgeted unrestricted capital amount on page 4 Of 8 to reflect this increase	
Adjustment, from page 7 of 8, to be included on FY 2005-06 Expenditure Budget, Page 8 of 8, Line A2 Unrestricted Capital	(274)
Above line allows for carry forward of 1 half of the unexpended K-3 Override budgeted for in Unrestricted capital.	
Adjustment amount for FY 2005-06 Budget Worksheet M, line 1b.	6,998
Amount on Worksheet M is subtracted. Amount should be included as displayed here.	

Arizona Department of Education  
Over Expenditure Report for Fiscal Year 2005  
Union Elementary District

Description	ADE Calculated	District Amount	Difference
<b>Unrestricted Capital Budget Limit</b>			
Unrestricted Available in FY 2003-04	247,896	247,896	
Unrestricted Capital Budget Limit Adjustment	0	0	
Adjusted Unrestricted Available in FY03-04	247,896	247,896	0
Amount Budgeted in Unrestricted Cap FY 2003-04	247,896	247,896	0
Lesser of Available for Budgeted	247,896	247,896	0
Actual Unrestricted Expenditures FY 2003-04	171,316	171,316	0
FY 03-04 Unrestricted Unexpended Budget Bal	76,580	76,580	0
Interest Earned FY 2003-04	1,309	1,309	0
Federal Impact Adjustment	26,378	26,378	0
Monies Deposited from SFB for Donated land	0	0	
Adjustment to Unrestricted Capital Budget Limit (A.R.S. §15-915 and Resolutions)	0	0	0
Amount to be used for Capital (from page 7)	48,912	49,186	(274)
Adjustments to Unrestricted Capital FY 2004-05, page 7 of 8, included in above line	(274)		
SBE Approval to Accum.	0	0	0
Unrestricted Capital Available FY 2004-05	153,179	153,453	(274)
Budgeted Unrestricted Capital (Includes corrections pursuant to 15-915)	153,453		
Lesser of Budgeted or Unrestricted Capital Available		153,179	
<b>Total Unrestricted Capital Expenditures</b>	120,383		
Unrestricted Capital Expenditures pursuant to A.R.S. §15-907	0		
Applicable Unrestricted Capital Expenditures		120,383	
Unexpended Budget Balance (Unrestricted) or Over-Expenditure		32,796	
If the above row includes a negative value, Unrestricted Capital has been over-expended and a resolution to reduce budget capacity and state aid must be completed.			
<b>Soft Capital Allocation Limit</b>			
Soft Capital Allocation Limit FY 2003-04	56,228	56,228	0
Soft Capital Allocation Limit Adjustments	0	0	0
Adjusted Soft Cap Alloc Limit FY 2003-04	56,228	56,228	0
Soft Capital Allocation Budgeted FY 2003-04	56,228	56,228	0
Lesser of Budgeted or Limit	56,228	56,228	0
Actual Soft Capital Allocation Exp FY 2003-04	32,032	32,032	0
FY 03-04 Unexpended Soft Capl Budg Bal	24,196	24,196	0
Interest Earned FY 2003-04	221	221	0
Soft Capital Allocation FY 2004-05	91,907	91,980	(73)
Capital Transportation Adjustment	0	0	0
Adjustment to Soft Capital Allocation Limit	0	0	0
Soft Capital Allocation Limit FY 2004-05	116,323	116,397	(74)
Budgeted Soft Capital	115,397	116,397	(1,000)
Lesser of Budgeted or Soft Capital Allocation Limit		116,323	
Actual 2004 Soft Capital Expenditures		60,019	
Unexpended Budget Balance (Soft Capital) or Over-Expenditure		56,304	
If the above row includes a negative value, Soft Capital Allocation has been over-expended and a resolution to reduce budget capacity and state aid must be completed.			



Arizona Department of Education  
Over Expenditure Report for Fiscal Year 2006  
Union Elementary District

Description	ADE Calculated	District Amount	Difference
Comments and concerns about the content, the design, or the results should be e-mailed to schoolfinance@ade.az.gov.			
Budget Version		5/12/2006	Revised #3
General Budget Limit			
Base Support Level	1,903,242		
Transportation Revenue Control Limit	237,718		
Type 03 Tuition	0		
ADE column includes values from most recent APOR55.			
Adjustment to actual HS Type 03 Tuition	0		
Reductions are made based on Type 03 tuition expenditures reported on AFR			
Revenue Control Limit (RCL)	2,140,960	2,140,960	
Growth	2,136,635	2,136,635	
Adjusted RCL	4,277,595	4,277,595	0
Adjusted RCL in M&O	4,277,595	4,277,595	0
Adjusted RCL in Unr Cap	0	0	0
Capital Outlay Revenue Limit (CORL) Total	143,079	143,079	0
Capital Outlay Revenue Limit (CORL) M&O	0	0	0
Capital Outlay Revenue Limit (CORL) Unr Cap	143,079	143,079	0
Maintenance and Operations Override	214,096	214,096	0
Capital Override	0	0	0
Special K-3 Override (M&O)	0	0	0
This budget capacity calculation no longer considers actual K3 Override Reported Expenditures - updated (4/19/07)			
Special K-3 Override (Capital)	0	0	0
Small School Adjustment (M&O)	0	0	0
Small School Adjustment (Unrestricted Capital)	0	0	0
Tuition Private M&O		0	
Tuition Private Unrestricted		0	
Tuition Other AZ Districts M&O		0	
Tuition Other AZ Districts Unrestricted		0	
Tuition Out of State Districts M&O		0	
Tuition Out of State Districts Unrestricted		0	
Tuition (Total) M&O	0	0	0
Tuition (Total) Unrestricted	0	0	0
Cert of Ed Convenience M&O	0	0	0
Cert of Ed Convenience Unrestricted	0	0	0
State Assistance (15-976) M & O	0	0	0
State Assistance (15-976) Unrestricted	0	0	0
Add-on for Children w/Disabilities and Indian Students M&O	11,698	11,698	0
Add-on for Children w/Disabilities and Indian Students Unrestricted	0	0	0
Administrative Costs M&O	0	0	0
Administrative Costs Unrestricted	0	0	0
Increase for Accommodation Schools	0	0	
Desegregation M&O	0	0	0
Desegregation Unrestricted	0	0	0
Tuition Out Debt Services	0	0	0
Budget Balance Carry-Forward	0	0	0
Dropout Prevention	0	0	0
Excess Utilities	10,778	285,324	(274,546)

Arizona Department of Education  
Over Expenditure Report for Fiscal Year 2006  
Union Elementary District

Description	ADE Calculated	District Amount	Difference
Assistance for Education M&O	0	0	0
Assistance for Education Unrestricted	0	0	0
Registered Warrant Exp M&O	0	0	0
Registered Warrant Exp Unrestricted	0	0	0
Energy Reduction Adjustment	0	0	0
Joint Voc & Tech Center M&O	0	0	0
Joint Voc & Tech Center Unrestricted	0	0	0
Career Ladders Budget Balance Carry-Forward	0	0	0
Optional Performance Incentive Budget Balance Carry-Forward	0	0	0
Performance Pay Budget Balance Carry Forward	0	0	0
Adjustment to General Budget Limit	0	0	0
<b>Total General Budget Limit for M&amp;O</b>	<b>4,514,167</b>	<b>4,788,713</b>	<b>(274,546)</b>
Plus or Minus Correction to FY 2005-06 Growth	36,322		
Less Growth Adjustment Requested to Unrestricted Capital (Included below)	0		
<b>Adjusted General Budget Limit</b>	<b>4,550,489</b>		
 Budgeted Maintenance & Operations	 4,788,713	 4,788,713	 0
Adjustments to Budgeted M&O	36,322		
<b>Adjusted Budgeted Maintenance and Operations</b>	<b>4,825,035</b>		
Lesser of Budgeted or GBL for M&O		4,514,167	
<b>Adjusted Lesser of Budgeted or GBL for M&amp;O</b>		<b>4,550,489</b>	
 Total M&O Expenditures (AFR)	 5,519,024		
M&O Expenditures pursuant to A.R.S. §15-907	0		
Less Applicable M&O Expenditures		5,519,024	
Add 50% of K-3 Override Unexpended Budget Balance to Total Expenditures		0	
 Unexpended Budget Balance (Over-Expenditure)		(968,535)	
If the above row includes a negative value, the Maintenance & Operations Fund has been over-expended and a resolution to reduce budget capacity and state aid, for FY 04-05, must be completed.			
Less Career Ladders Budget Balance		0	
Less Optional Performance Incentive Budget Balance		0	
Less Performance Pay Unexpended		0	
<b>Applicable Unexpended Budget Balance</b>		<b>(968,535)</b>	
Less Amount Moved to Unrestricted Capital due to Greater than Anticipated Growth		0	
<b>Final Applicable Unexpended Budget Balance</b>		<b>(968,535)</b>	
<b>Budget Balance Carry Forward Limit (4% * (RCL + Growth Adjustment))</b>		<b>172,557</b>	
<b>Allowed Budget Balance Carry-Forward</b>		<b>0</b>	
Includes reduction for inter-fund transfers to School Opening Fund 545			

\*\* Formula for calculating the adjusted growth (corrected growth total - original growth = adjusted growth amount)

Corrected Growth	2,172,957
Minus Growth Included on Final 05-06 APOR55-1	2,136,635
Growth Adjustment	36,322

Please see memo at <http://www.ade.az.gov/Districts/ReportsData/ReportsData.asp>, for your district, regarding information on growth calculation. This memo is also available in the School Finance memos section and the School Finance Bulletin Board.

#### Adjustments to FY 2006-07 Expenditure Budget and Worksheets

Increase to FY 2006-07 Unrestricted Capital due to greater than anticipated Growth	0
Add to FY 2006-07 Expenditure Budget Page 8 of 8 Line A11 You may increase the budgeted unrestricted capital amount on page 4 Of 8 to reflect this increase	
Adjustment, from page 7 of 8, to be included on FY 2006-07 Expenditure Budget, Page 8 of 8, Line A2 Unrestricted Capital	0
Above line allows for carry forward of 1 half of the unexpended K-3 Override budgeted for in Unrestricted capital.	
Adjustment amount for FY 2006-07 Budget Worksheet M, line 1b.	36,304
Amount on Worksheet M is added. Amount should be included as displayed here.	

Arizona Department of Education  
Over Expenditure Report for Fiscal Year 2006  
Union Elementary District

Description	ADE Calculated	District Amount	Difference
<b>Unrestricted Capital Budget Limit</b>			
Unrestricted Available in FY 2004-05	153,453	153,453	
Unrestricted Capital Budget Limit Adjustment	(274)	(274)	
Adjusted Unrestricted Available in FY 04-05	153,179	153,179	0
Amount Budgeted in Unrestricted Cap FY 2004-05	153,453	153,453	0
Lesser of Available for Budgeted	153,179	153,179	0
Actual Unrestricted Expenditures FY 2004-05	120,383	120,383	0
FY 04-05 Unrestricted Unexpended Budget Bal	32,796	32,796	0
Interest Earned FY 2004-05	355	355	0
Federal Impact Adjustment	0	0	0
Monies Deposited from SFB for Donated land	0	0	0
Adjustment to Unrestricted Capital Budget Limit (A.R.S. §15-915 and Resolutions)	0	0	0
Amount to be used for Capital (from page 7)	143,079	143,079	0
Adjustments to Unrestricted Capital FY 2005-06, page 7 of 8, included in above line	0		
SBE Approval to Accum.	0	0	0
Unrestricted Capital Available FY 2005-06	176,230	176,230	0
Budgeted Unrestricted Capital (Includes corrections pursuant to 15-915)	176,230		
Lesser of Budgeted or Unrestricted Capital Available		176,230	
<b>Total Unrestricted Capital Expenditures</b>	175,123		
Unrestricted Capital Expenditures pursuant to A.R.S. §15-907	0		
Applicable Unrestricted Capital Expenditures		(175,123)	
Unexpended Budget Balance (Unrestricted ) or Over-Expenditure		1,107	
If the above row includes a negative value, Unrestricted Capital has been over-expended and a resolution to reduce budget capacity and state aid must be completed.			
Adjustment to be added to Page 8 line A(11)			
<b>Soft Capital Allocation Limit</b>			
Soft Capital Allocation Limit FY 2004-05	116,323	116,323	0
Soft Capital Allocation Limit Adjustments	0	0	0
Adjusted Soft Cap Alloc Limit FY 2004-05	116,323	116,323	0
Soft Capital Allocation Budgeted FY 2004-05	115,397	116,397	(1,000)
Lesser of Budgeted or Limit	116,323	116,323	0
Actual Soft Capital Allocation Exp FY 2004-05	60,019	60,019	0
FY 04-05 Unexpended Soft Capl Budg Bal	56,304	56,304	0
Interest Earned FY 2004-05	1,262	1,262	0
Soft Capital Allocation FY 2005-06	113,307	113,307	0
Capital Transportation Adjustment	9,134	9,134	0
Adjustment to Soft Capital Allocation Limit	0	0	0
Soft Capital Allocation Limit FY 2005-06	180,008	180,007	1
Budgeted Soft Capital	180,007	180,007	0
Lesser of Budgeted or Soft Capital Allocation Limit		180,008	
<b>Actual 2006 Soft Capital Expenditures</b>		176,848	
<b>Unexpended Budget Balance (Soft Capital) or Over-Expenditure</b>		3,160	
If the above row includes a negative value, Soft Capital Allocation has been over-expended and a resolution to reduce budget capacity and state aid must be completed.			

**U.S. Census Bureau**

## State &amp; County QuickFacts

**Maricopa County, Arizona**

<b>People QuickFacts</b>	<b>Maricopa County</b>	<b>Arizona</b>
Population, 2006 estimate	3,768,123	6,166,318
Population, percent change, April 1, 2000 to July 1, 2006	22.6%	20.2%
Population, 2000	3,072,149	5,130,632
Persons under 5 years old, percent, 2005	8.2%	7.7%
Persons under 18 years old, percent, 2005	27.4%	26.6%
Persons 65 years old and over, percent, 2005	11.1%	12.8%
Female persons, percent, 2005	49.7%	49.9%
White persons, percent, 2005 (a)	89.0%	87.4%
Black persons, percent, 2005 (a)	4.3%	3.6%
American Indian and Alaska Native persons, percent, 2005 (a)	2.2%	5.1%
Asian persons, percent, 2005 (a)	2.7%	2.2%
Native Hawaiian and Other Pacific Islander, percent, 2005 (a)	0.2%	0.2%
Persons reporting two or more races, percent, 2005	1.6%	1.5%
Persons of Hispanic or Latino origin, percent, 2005 (b)	29.0%	28.5%
White persons not Hispanic, percent, 2005	61.5%	60.4%
Living in same house in 1995 and 2000, pct 5 yrs old & over	41.6%	44.3%
Foreign born persons, percent, 2000	14.4%	12.8%
Language other than English spoken at home, pct age 5+, 2000	24.1%	25.9%
High school graduates, percent of persons age 25+, 2000	82.5%	81.0%
Bachelor's degree or higher, pct of persons age 25+, 2000	25.9%	23.5%
Persons with a disability, age 5+, 2000	504,992	902,252
Mean travel time to work (minutes), workers age 16+, 2000	26.1	24.9
Housing units, 2005	1,481,431	2,544,806
Homeownership rate, 2000	67.5%	68.0%
Housing units in multi-unit structures, percent, 2000	26.6%	22.1%
Median value of owner-occupied housing units, 2000	\$129,200	\$121,300
Households, 2000	1,132,886	1,901,327
Persons per household, 2000	2.67	2.64
Median household income, 2004	\$48,304	\$43,696
Per capita money income, 1999	\$22,251	\$20,275



## 40th Day Counts

Grade	ReCalculated State Aid ADM	Cumulative Totals(Less PS)	Grade	ReCalculated State Aid ADM	Cumulative Totals
PS	4,175 *		9		
KG	77,638	77,638	10		
1	179,306	256,938	11		
2	154,625	411,563	12		
3	137,250	548,813 **	US		****
4	161,850	710,763			
5	144,375	855,138			
6	149,450	1,004,588			
7	151,600	1,156,188			
8	133,200	1,289,388			
UE		1,289,388 ***			
		Total All Grades			1,293,563

## 100th Day Counts

Grade	ReCalculated State Aid ADM	Cumulative Totals(Less PS)	Grade	ReCalculated State Aid ADM	Cumulative Totals
PS	1,700 *		9		
KG	83,147	83,147	10		
1	185,714	268,861	11		
2	163,435	432,296	12		
3	145,384	577,680 **	US		****
4	168,990	746,670			
5	150,610	897,280			
6	149,760	1,047,040			
7	158,320	1,205,360			
8	138,477	1,343,837			
UE		1,343,837 ***			
		Total All Grades			1,345,537 (ADJ)

District Of Residence : 07-04-62 UNION ELEMENTARY DISTRICT

ARIZONA DEPARTMENT OF EDUCATION  
2006-2007 RECALCULATED STATE AID ADM COUNTS

Resident Membership ADM				Non-Resident Membership ADM			
School				School			
Hurley Ranch Elementary				UPWARD FOUNDATION INC			
Grade	Register ID			Grade	Register ID		
PS	1000			PS	1000		